

RKM

RESEARCH AND
COMMUNICATIONS

Dig deeper.

CLIMB HIGHER.



Dig deeper.
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Overview of this presentation

■ Building a Stronger Hospital Brand.

- A hospital path of adoption framework to better understand and prioritize your brand strategy.
- A definition of a patient-advocate and the role advocates play in promoting your hospital's brand.
- Why hospitals should manage and message to advocacy (to strengthen a brand).
- Show results from 2 hospitals (to strengthen emergency departments).



What is this presentation really about?

- **Where do patients come from?**
- **How can I attract more of them?**
- **How can I keep them using my hospital again in the future once I get them to use my hospital for the first time?**

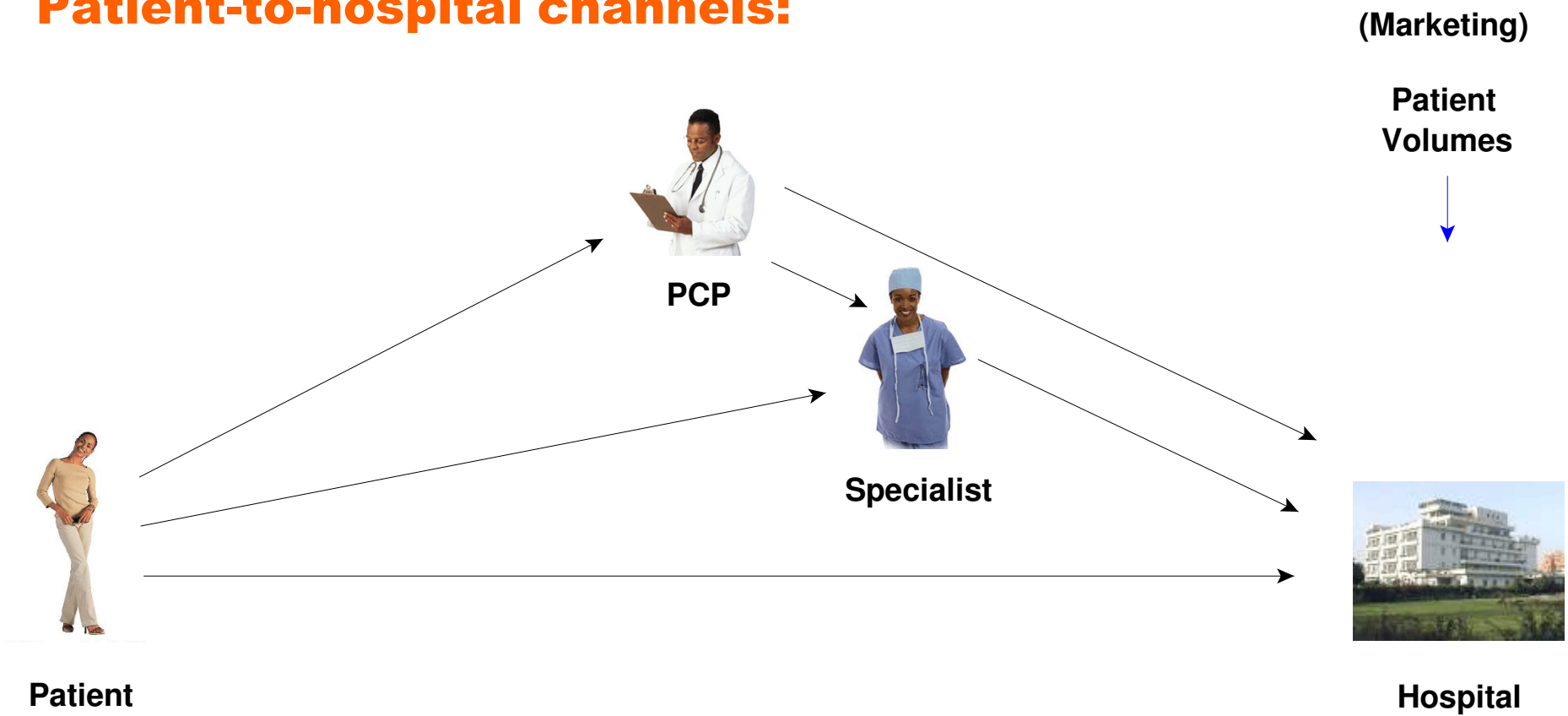


1. Where do patients come from?

- How do they choose a doctor (PCP)?
- How do they choose a specialist?
- How do they choose a hospital?



Patient-to-hospital channels:





Patient-to-hospital channels are driven by impressions:

- **Impressions are based on 3 primary sources of information and influence**
 - **Direct, first-hand experience:**
 - *What a consumer experiences when they see or use a hospital.*
 - **Indirect, second-hand word-of-mouth:**
 - *What others say about a hospital.*
 - **Mediated, third-party sources:**
 - *Controlled: Advertising, public relations, public affairs, marketing and other paid strategies.*
 - *Uncontrolled: HealthGrades.com, HospitalCompare.hhs.gov, US News and World Report.*

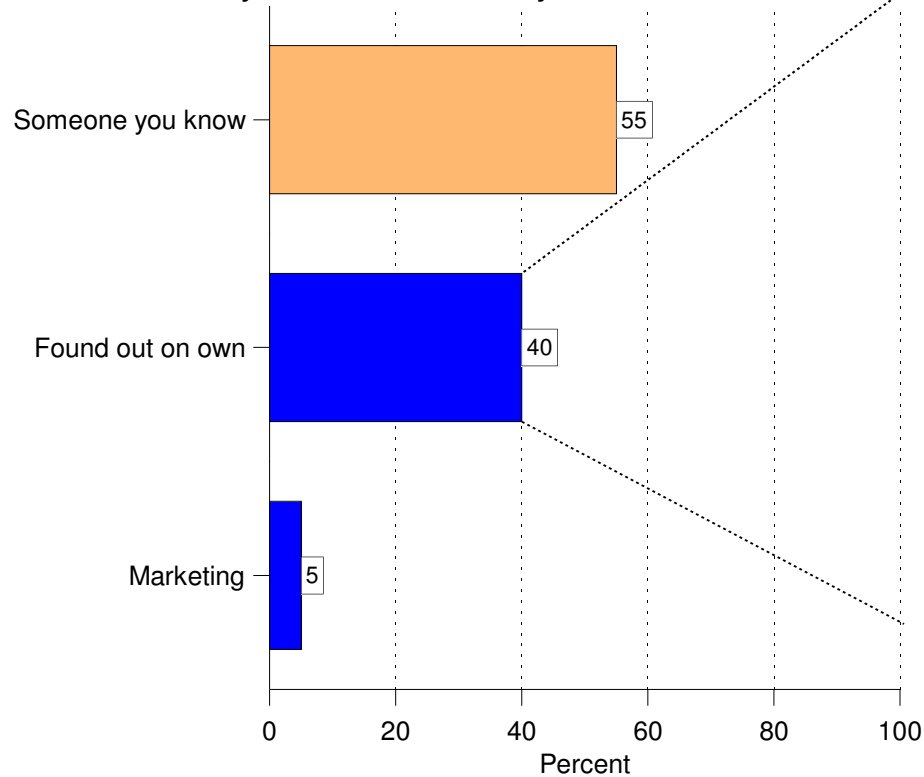


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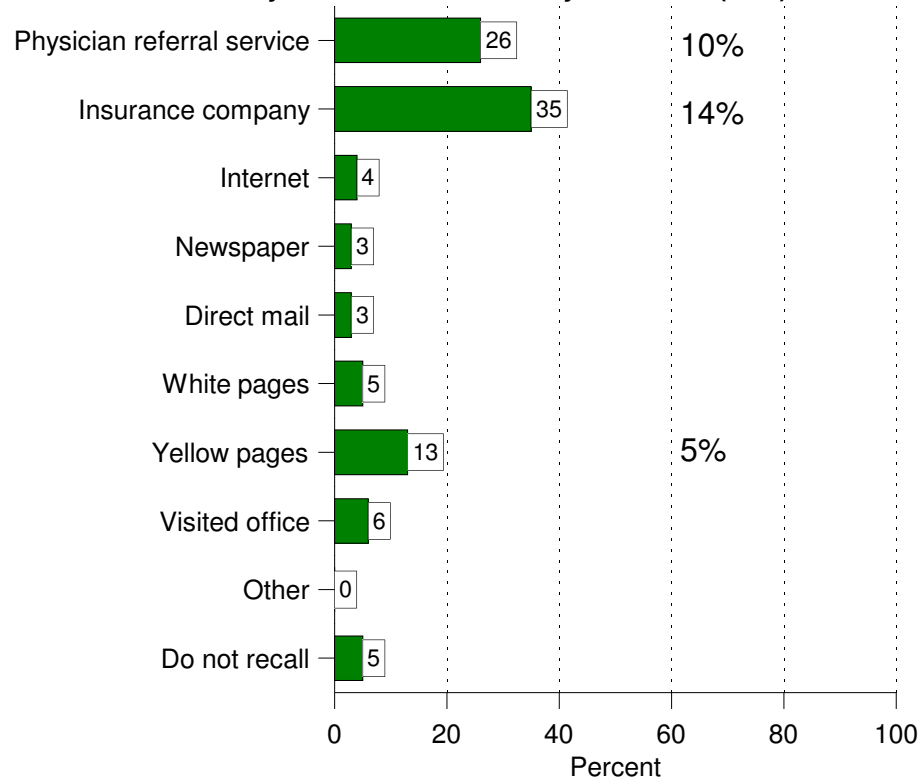
What drives patient traffic to doctors (PCPs)?

[Among 93% of American adults who have a PCP]

How did you first find out about your current doctor?



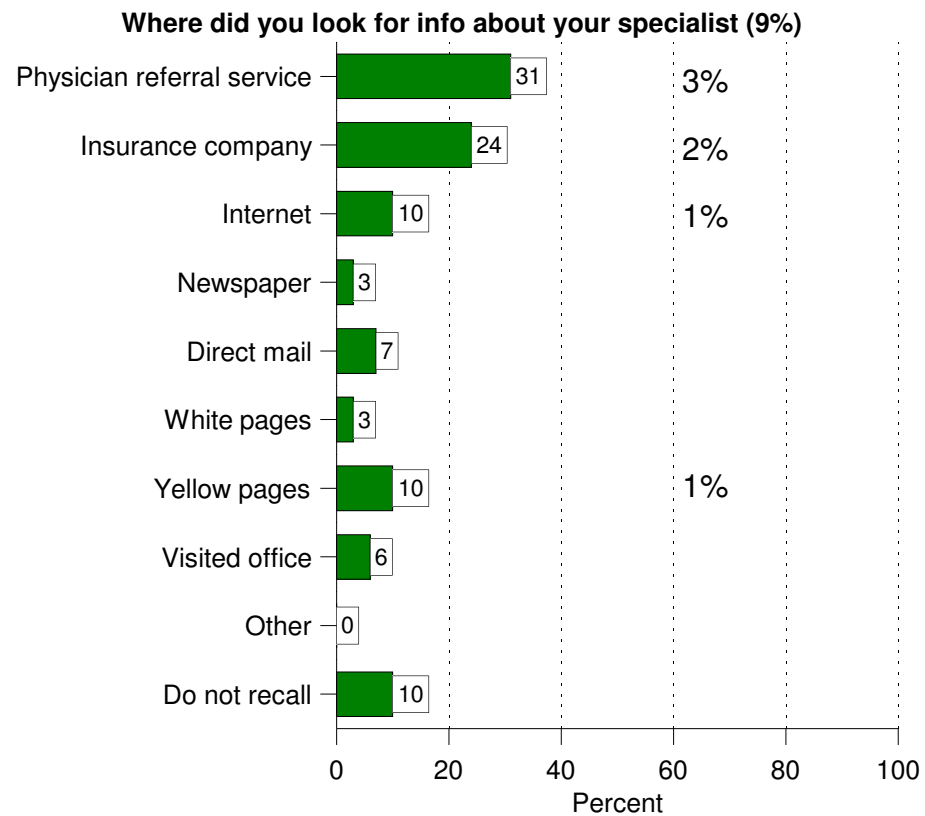
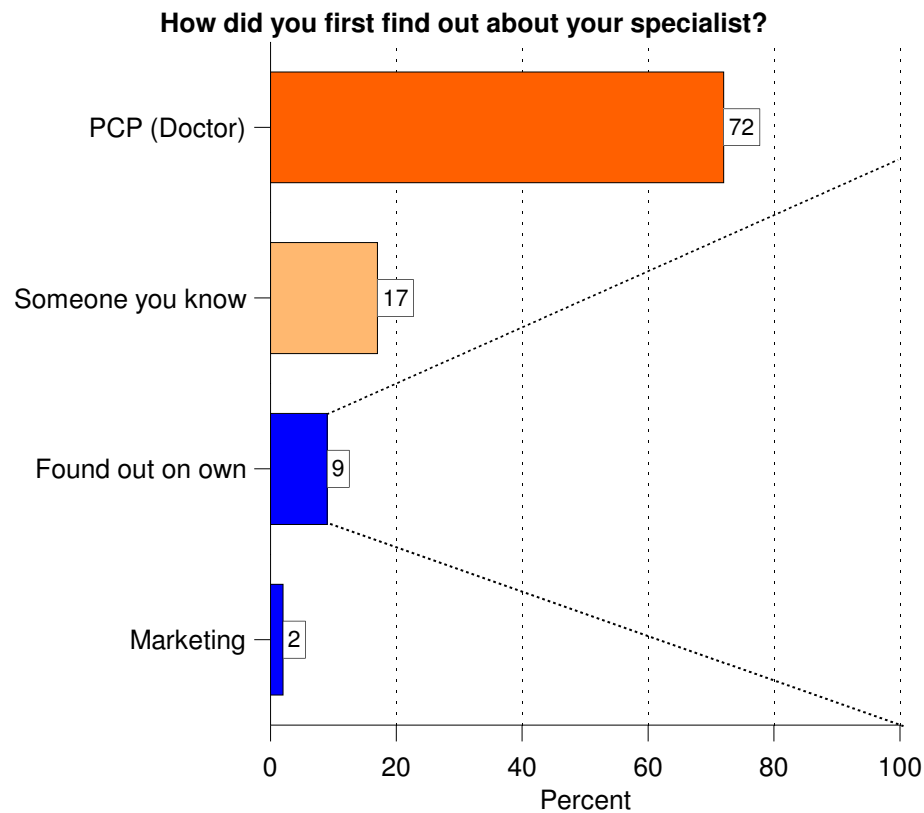
Where did you look for info about your doctor (40%)





What drives patient traffic to specialists?

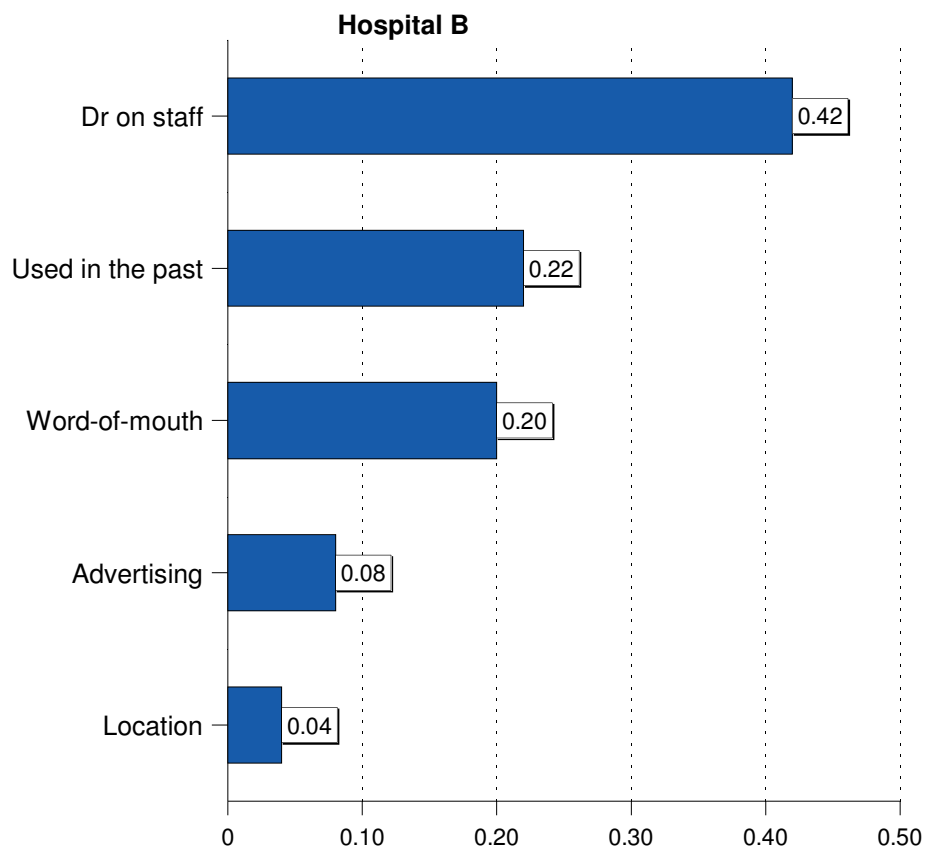
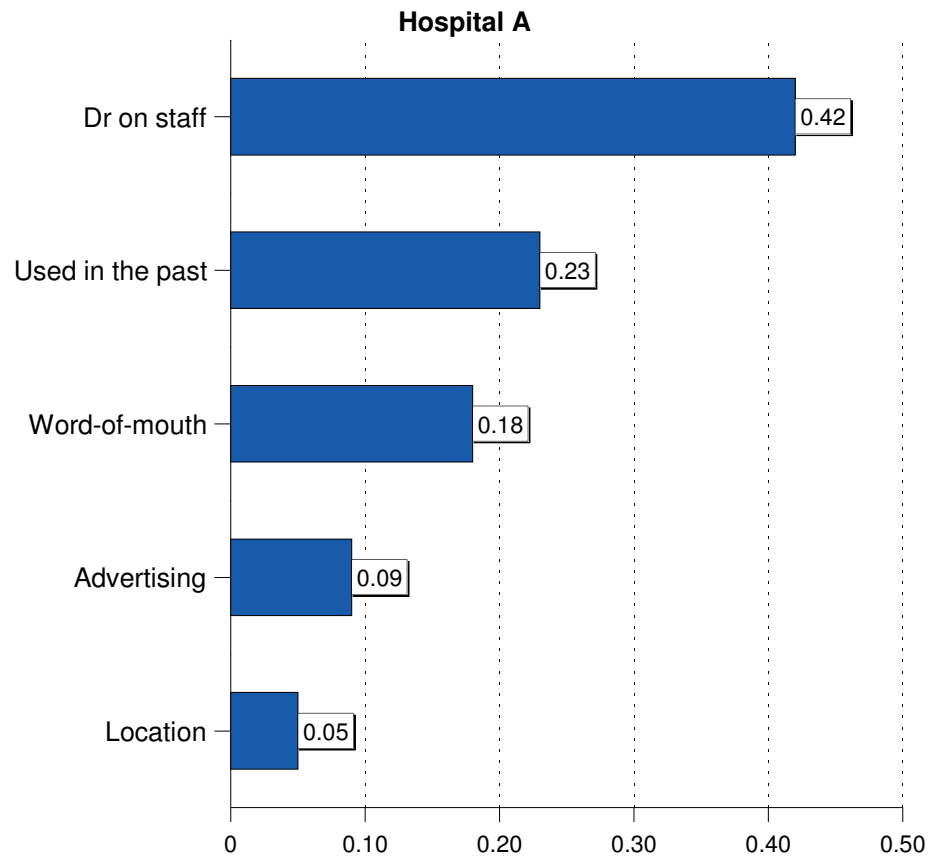
[Among 45% of American adults who have a specialist]





What drives patient traffic to hospitals?

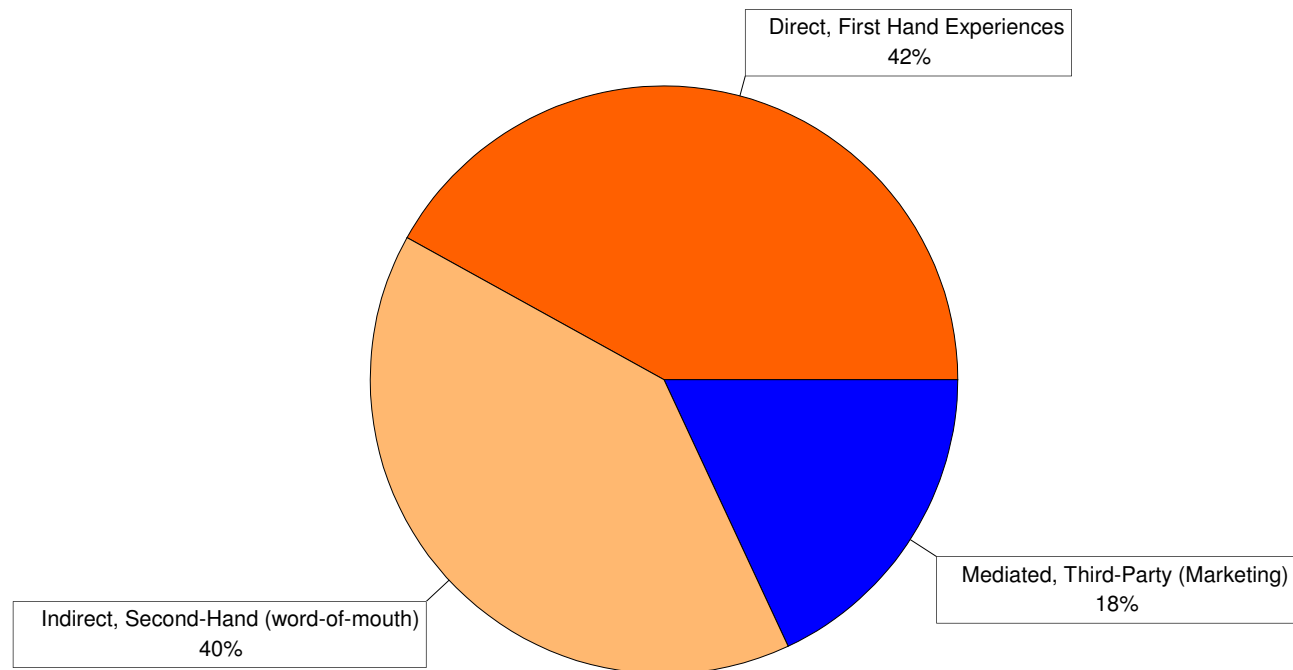
[Based on OLS multiple regression]





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Which impression sources drive hospital utilization?





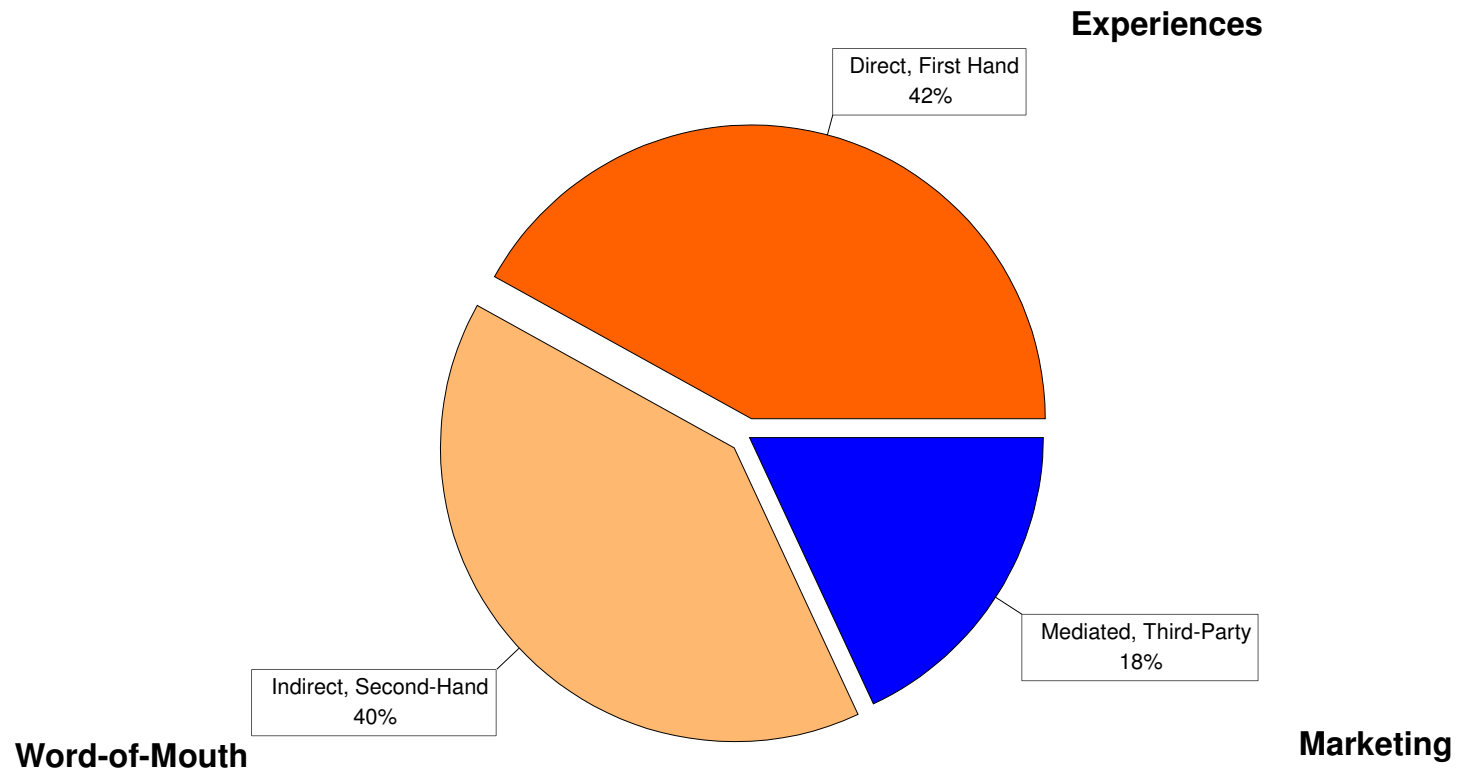
What is marketing?

- **Marketing is Everything, and Everything is Marketing.**
 - Regis McKenna (Harvard Business Review, 1991)
 - Marketing is anything that contributes toward, or takes away from, the likelihood that patients will choose your hospital rather than your competitor.



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Sophisticated marketers are not “satisfied” with the potential to influence 1-out-of-5.





Consumers' healthcare decision-making

- **Formal and informal social networks drive most healthcare decision making.**
- **The content of the conversations within those networks is critical to a hospital's brand.**
- **The dialogue between providers, hospital employees and patients will either enhance or erode the value of a hospital brand over time.**
- **Managing Word of Mouth for Leadership Success: Connecting Health Care Strategy and Reputation**
(Foundation of the American College of Healthcare Executives, 2004).

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Hospital path of adoption

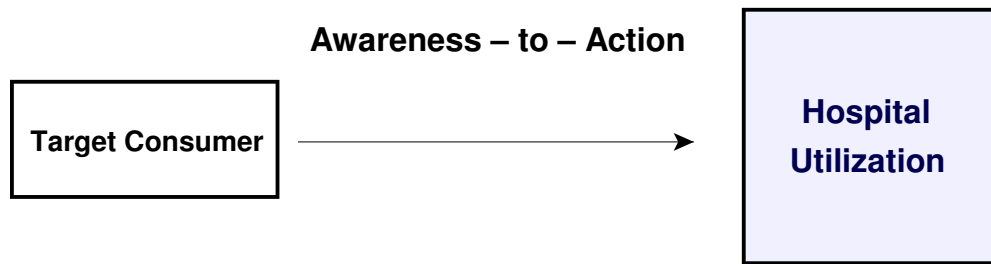
- **A framework for re-thinking your brand strategy.**

Variable of Interest



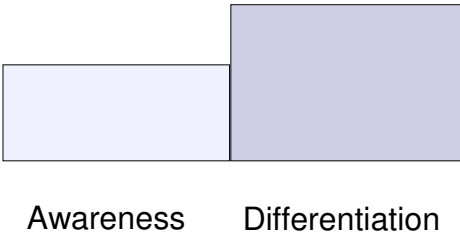
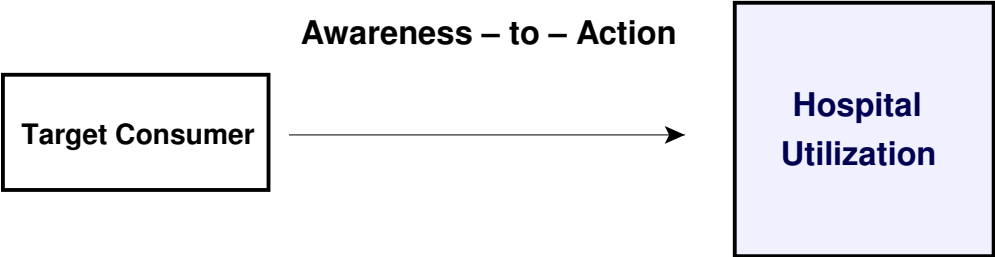
Patient Volumes

Path of Hospital Adoption

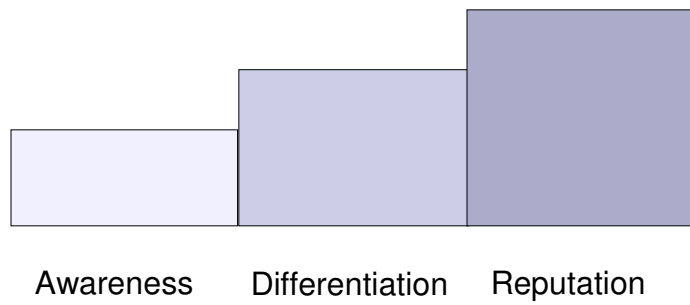
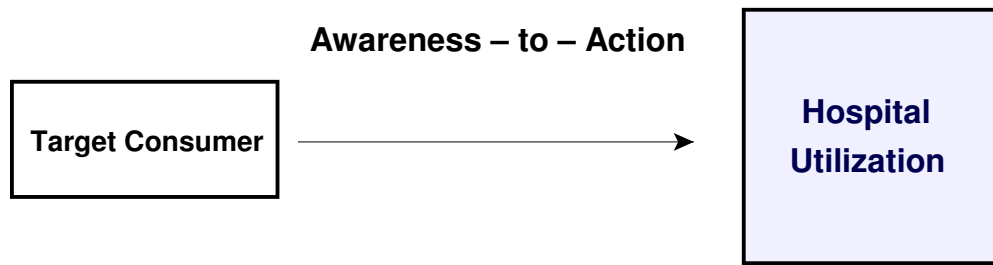


Awareness

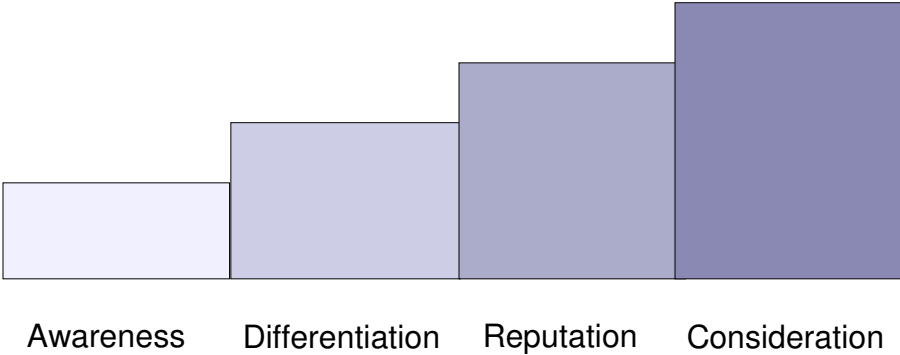
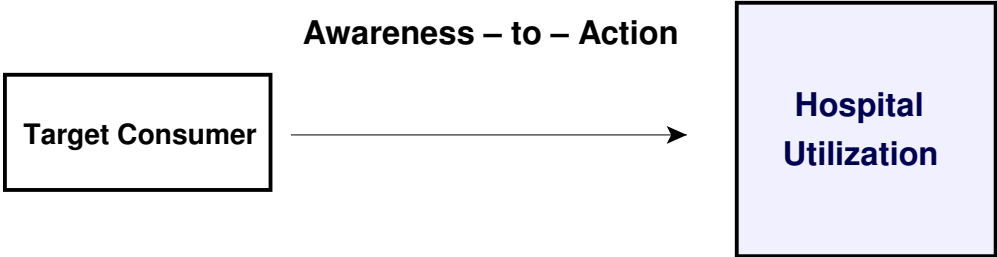
Path of Hospital Adoption



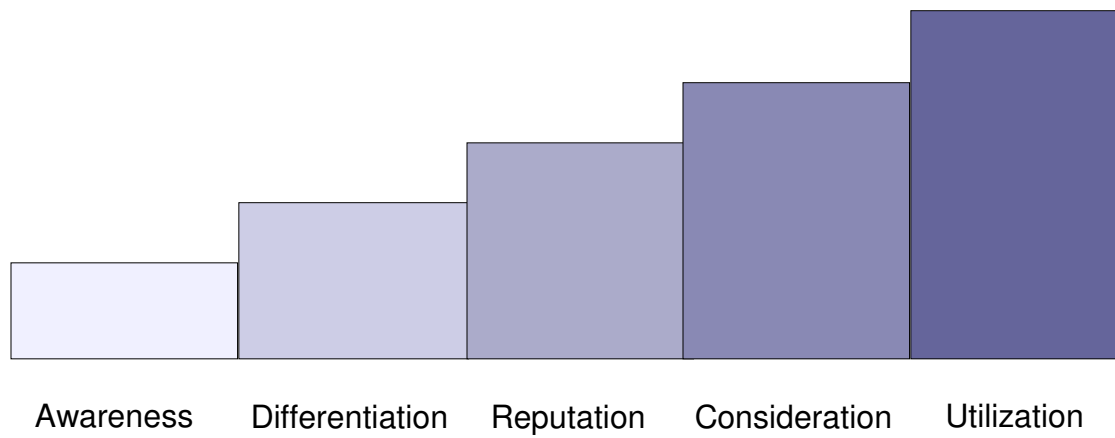
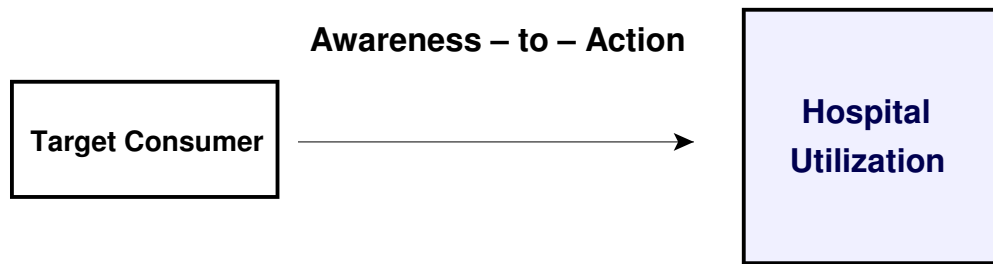
Path of Hospital Adoption



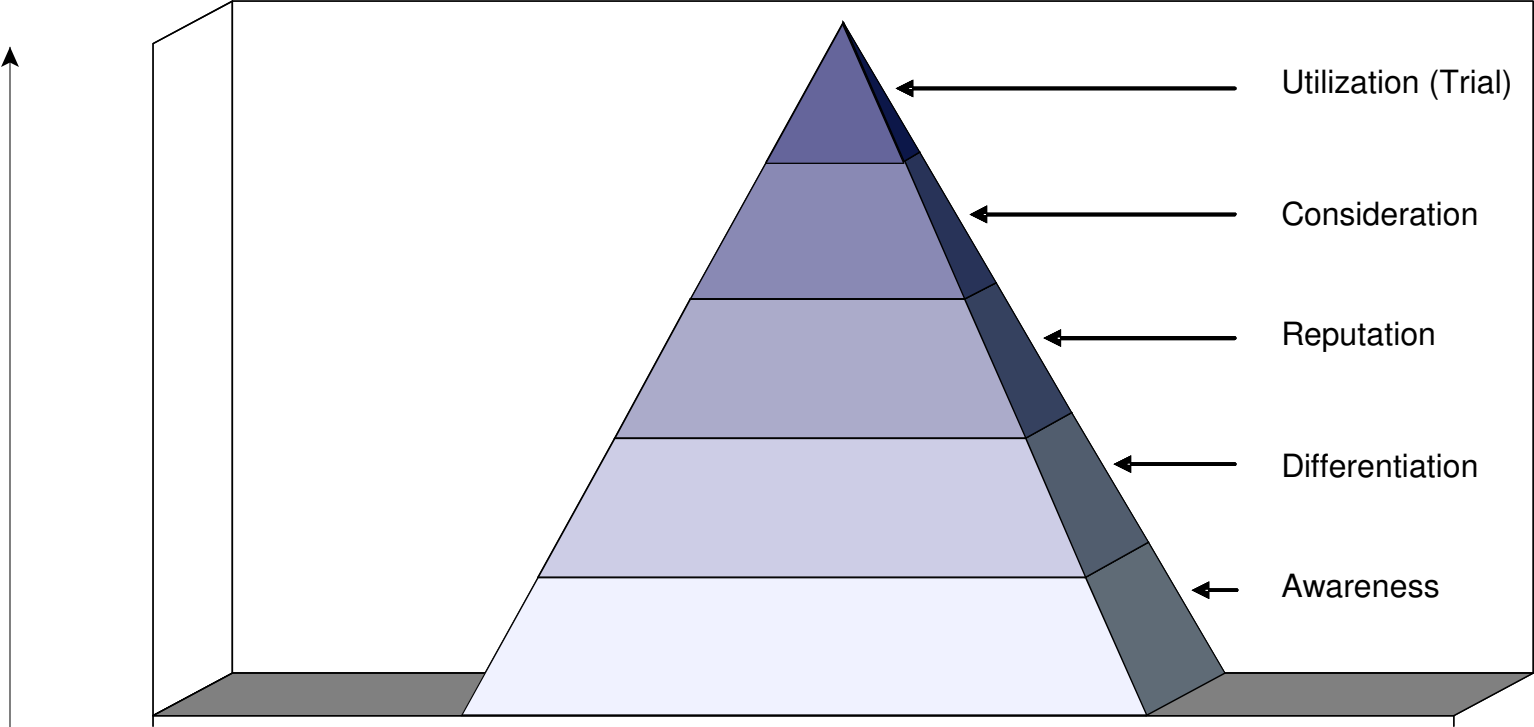
Path of Hospital Adoption



Path of Hospital Adoption

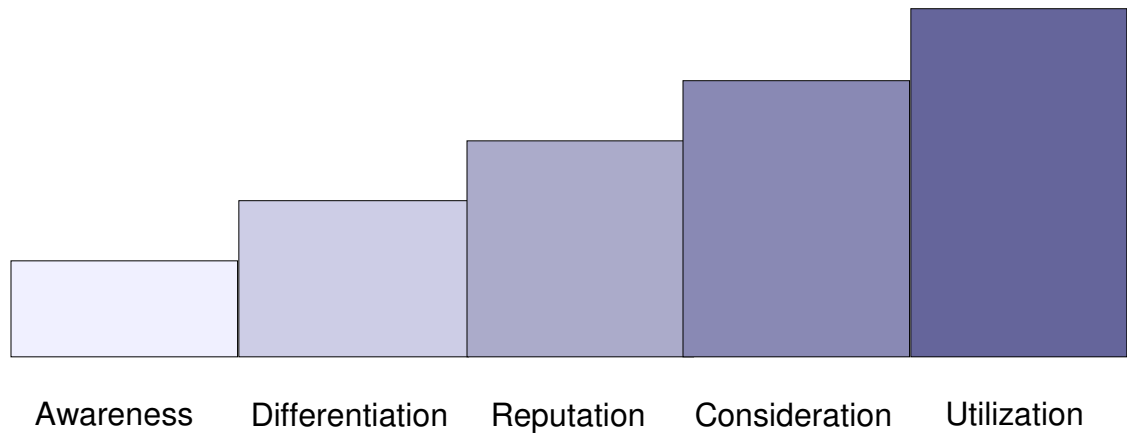
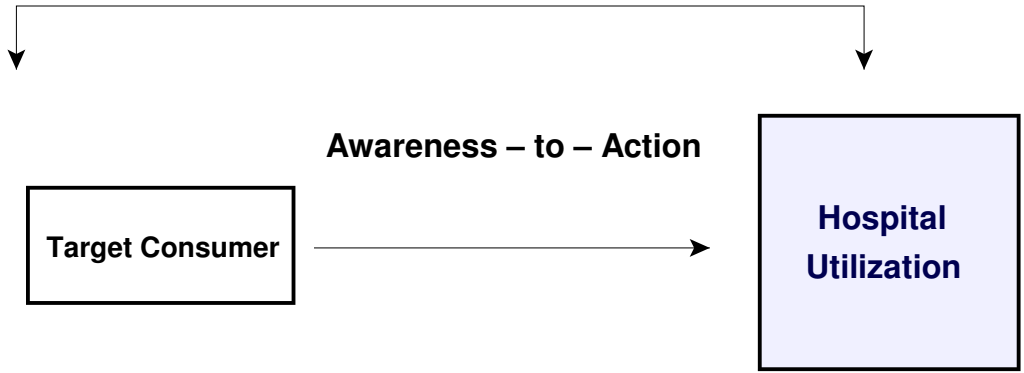


Path of Hospital Adoption



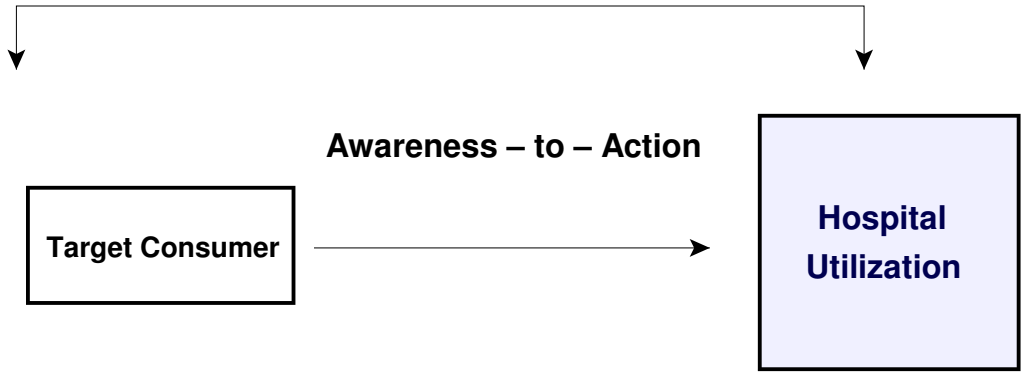
Traditional Marketing

“Making the promise” (1/2 of equation)

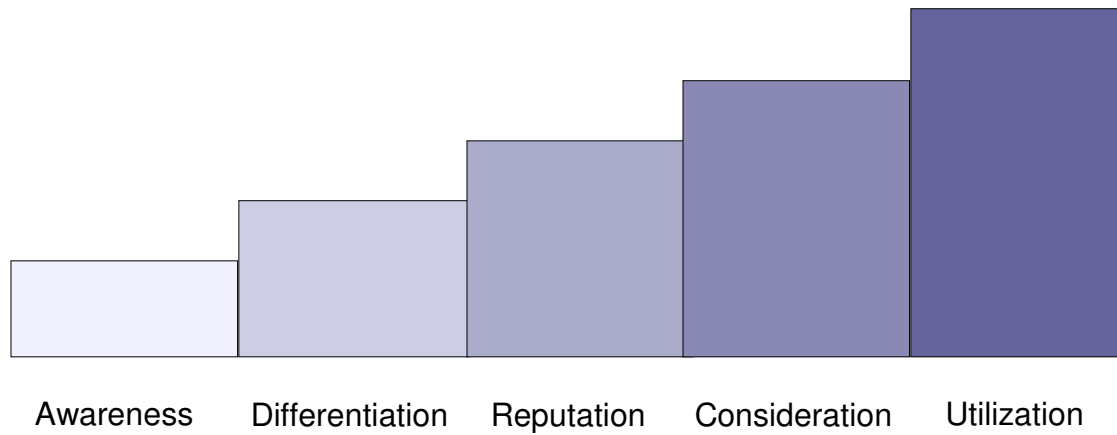


Traditional Marketing

“Making the promise” (1/2 of equation)

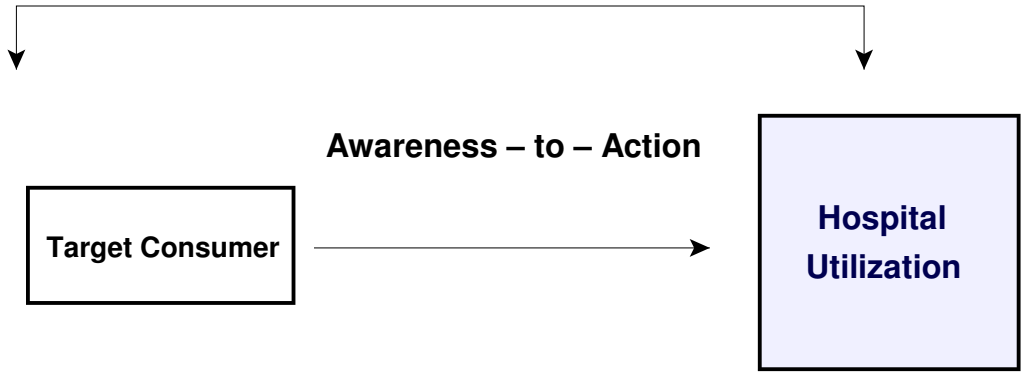


Path of Hospital Advocacy

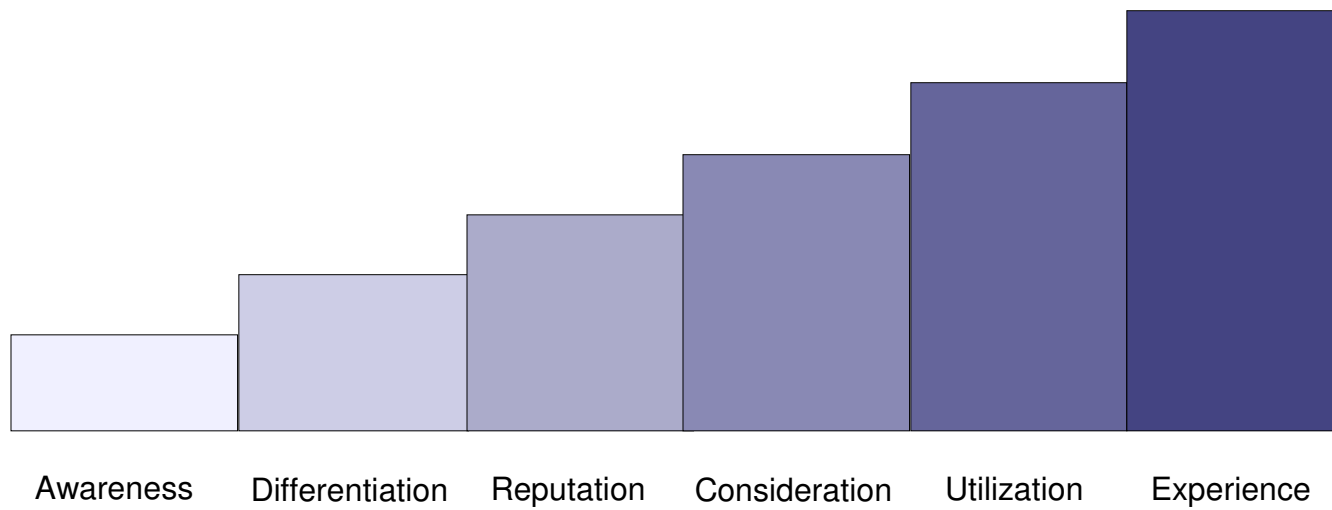


Traditional Marketing

“Making the promise” (1/2 of equation)

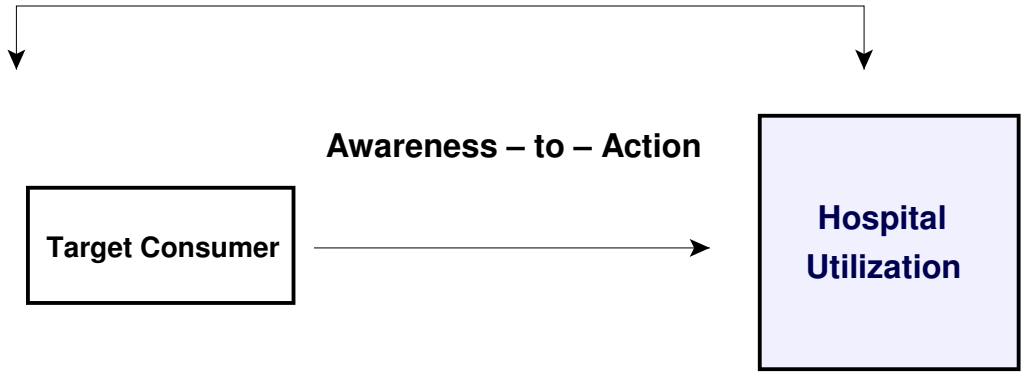


Path of Hospital Advocacy

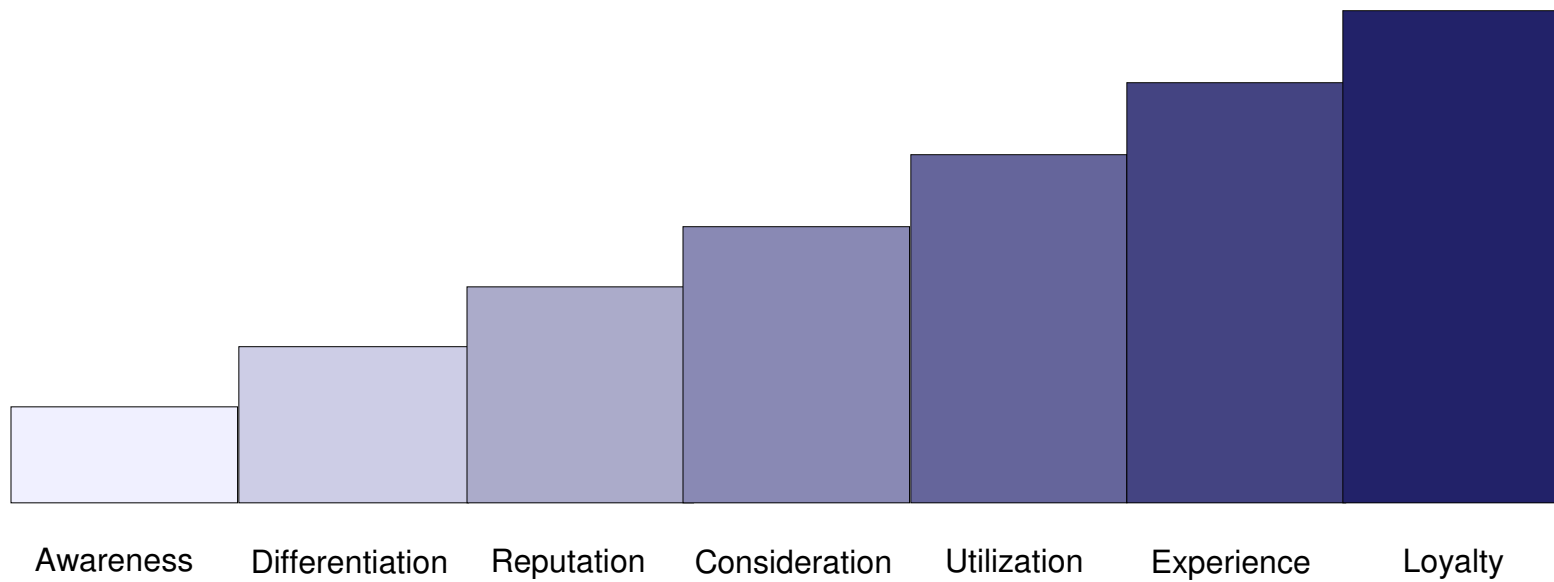


Traditional Marketing

“Making the promise” (1/2 of equation)

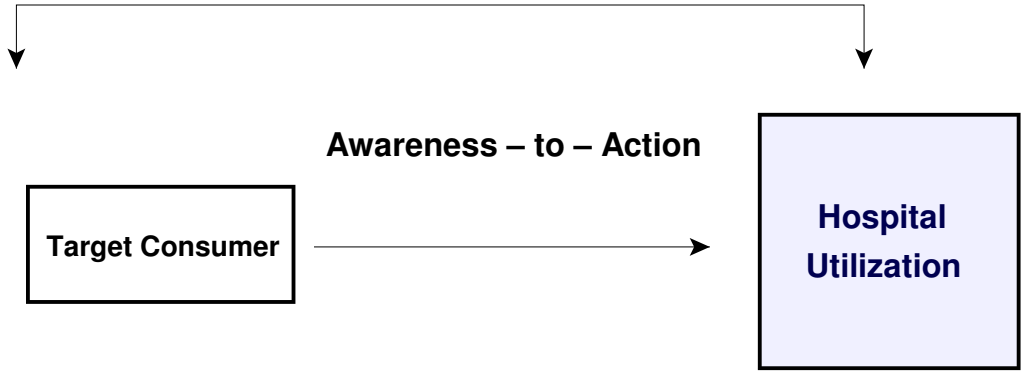


Path of Hospital Advocacy

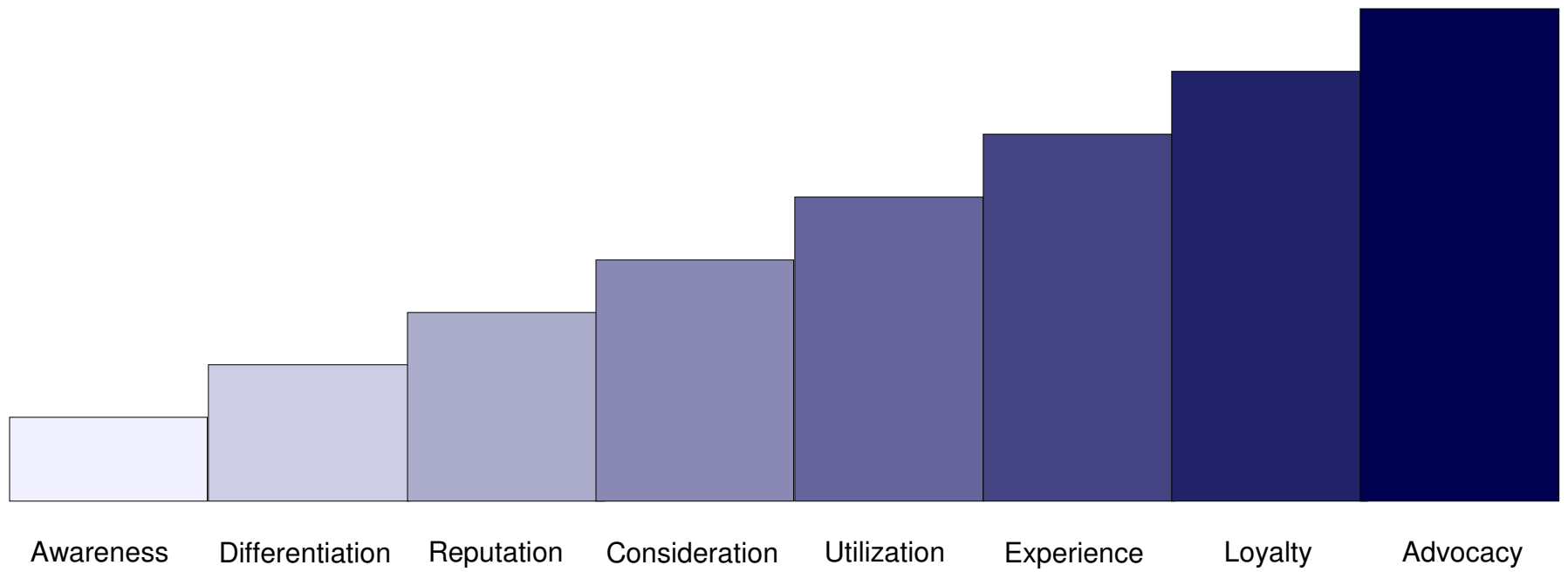


Traditional Marketing

“Making the promise” (1/2 of equation)



Path of Hospital Advocacy

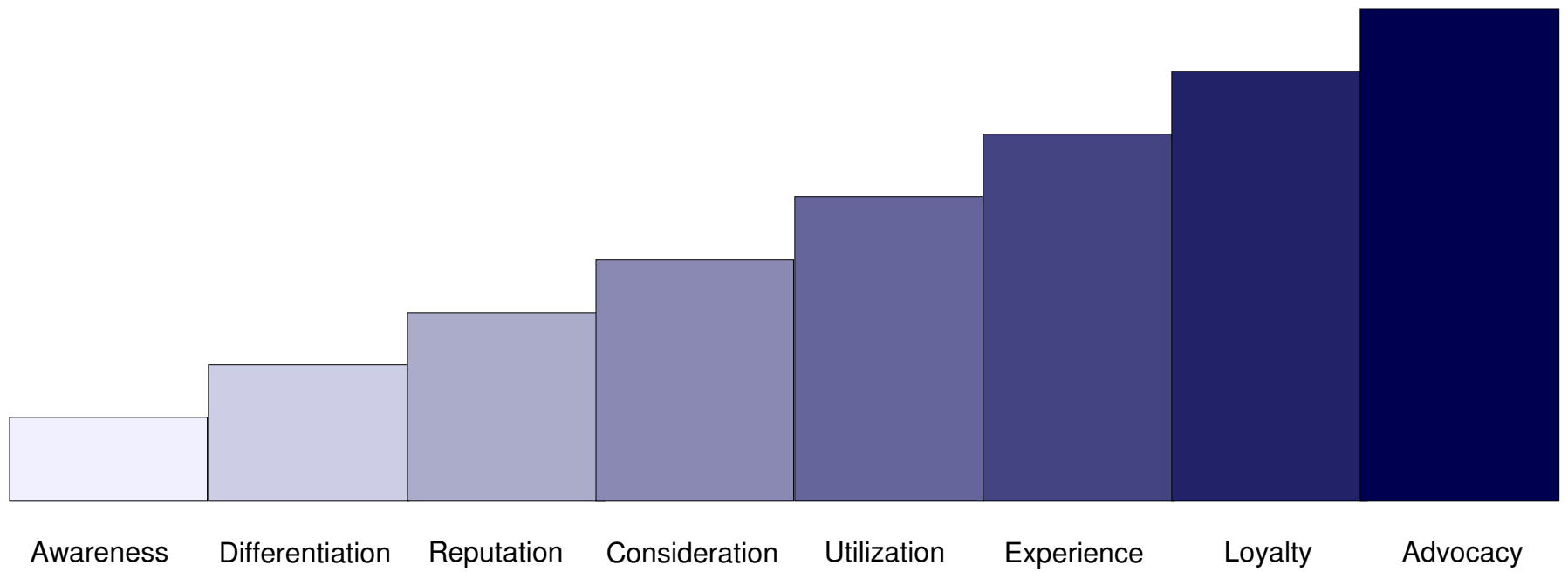
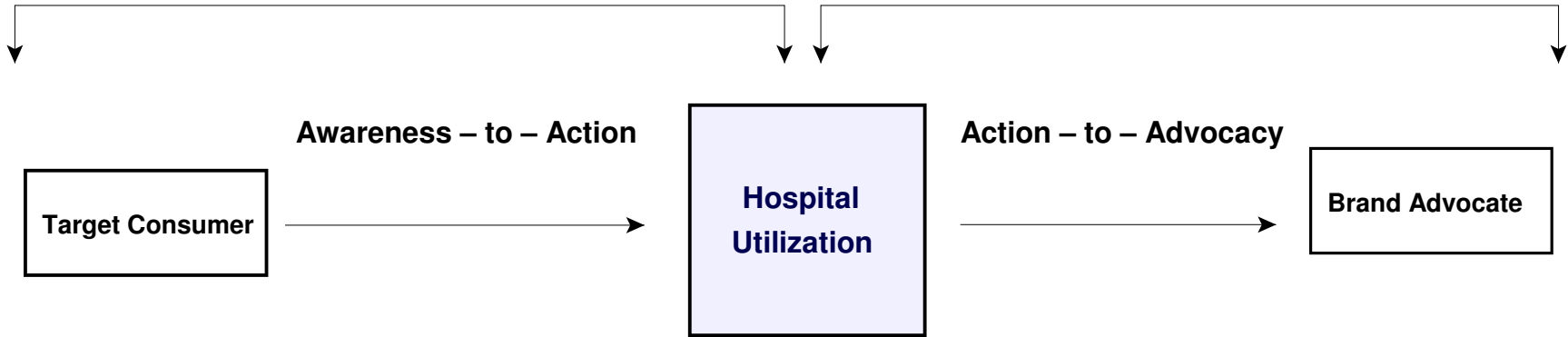


Traditional Marketing

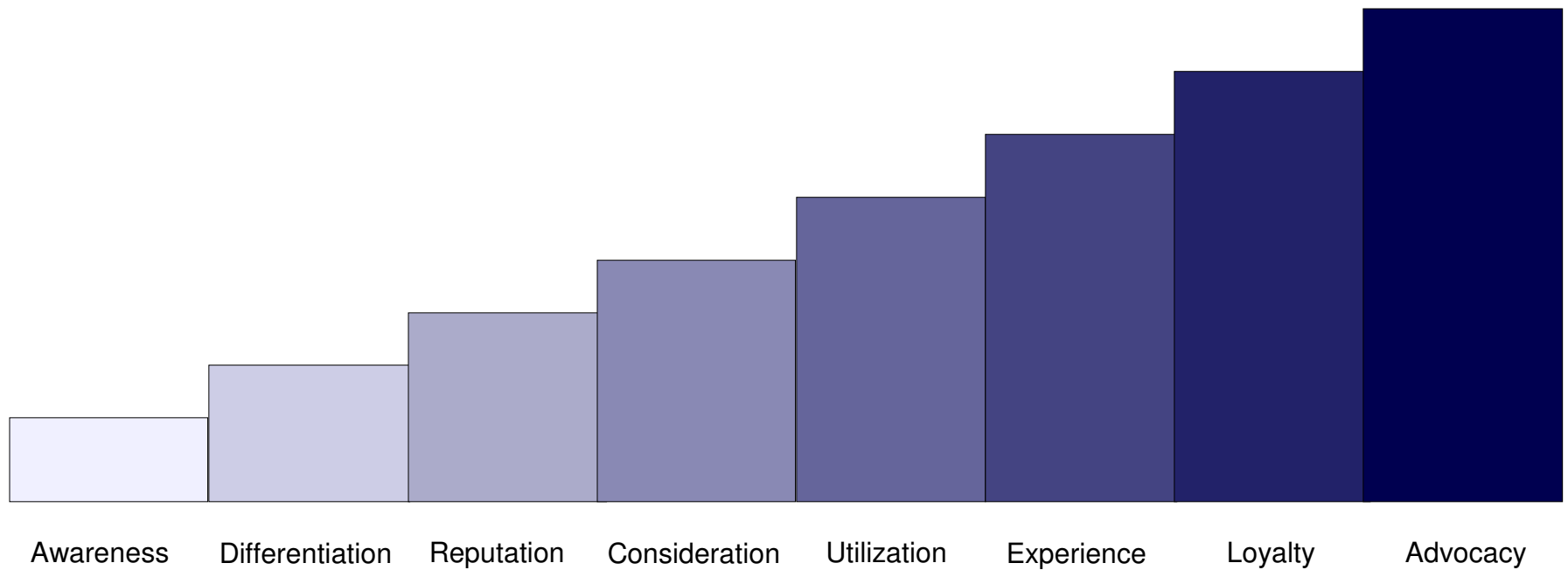
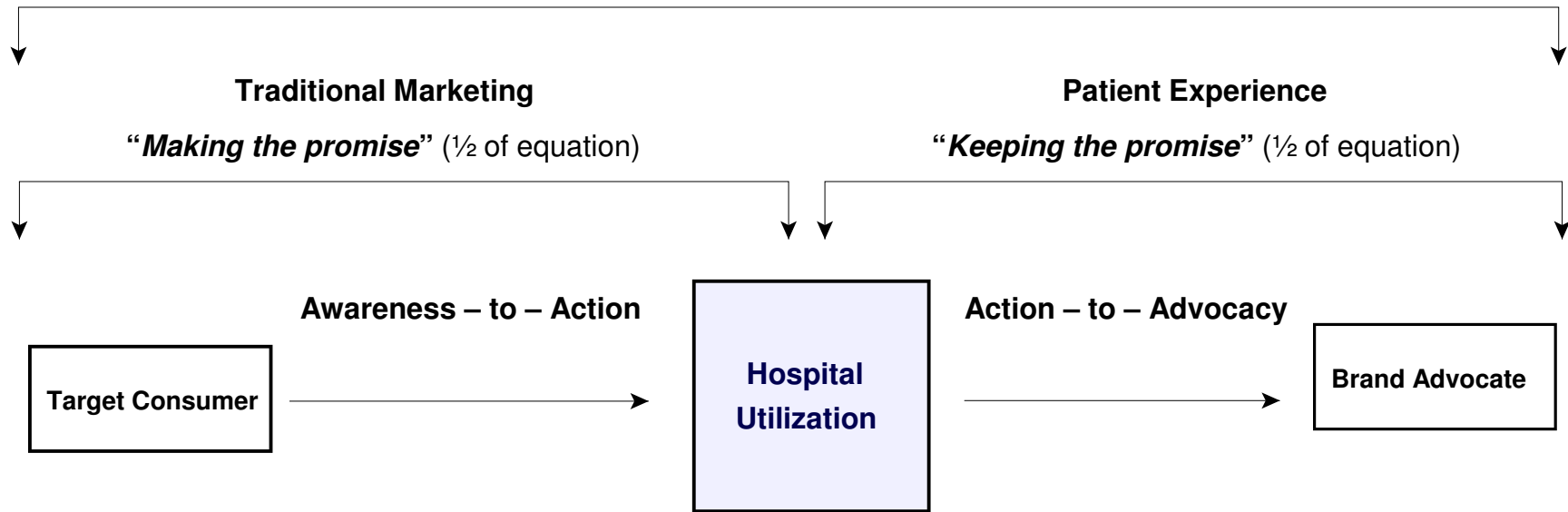
“Making the promise” (1/2 of equation)

Patient Experience

“Keeping the promise” (1/2 of equation)



“Your Branding - and the Success of Your Branding - is Based on What You Say AND What You Do .”





What are the important indicators of an Advocate?

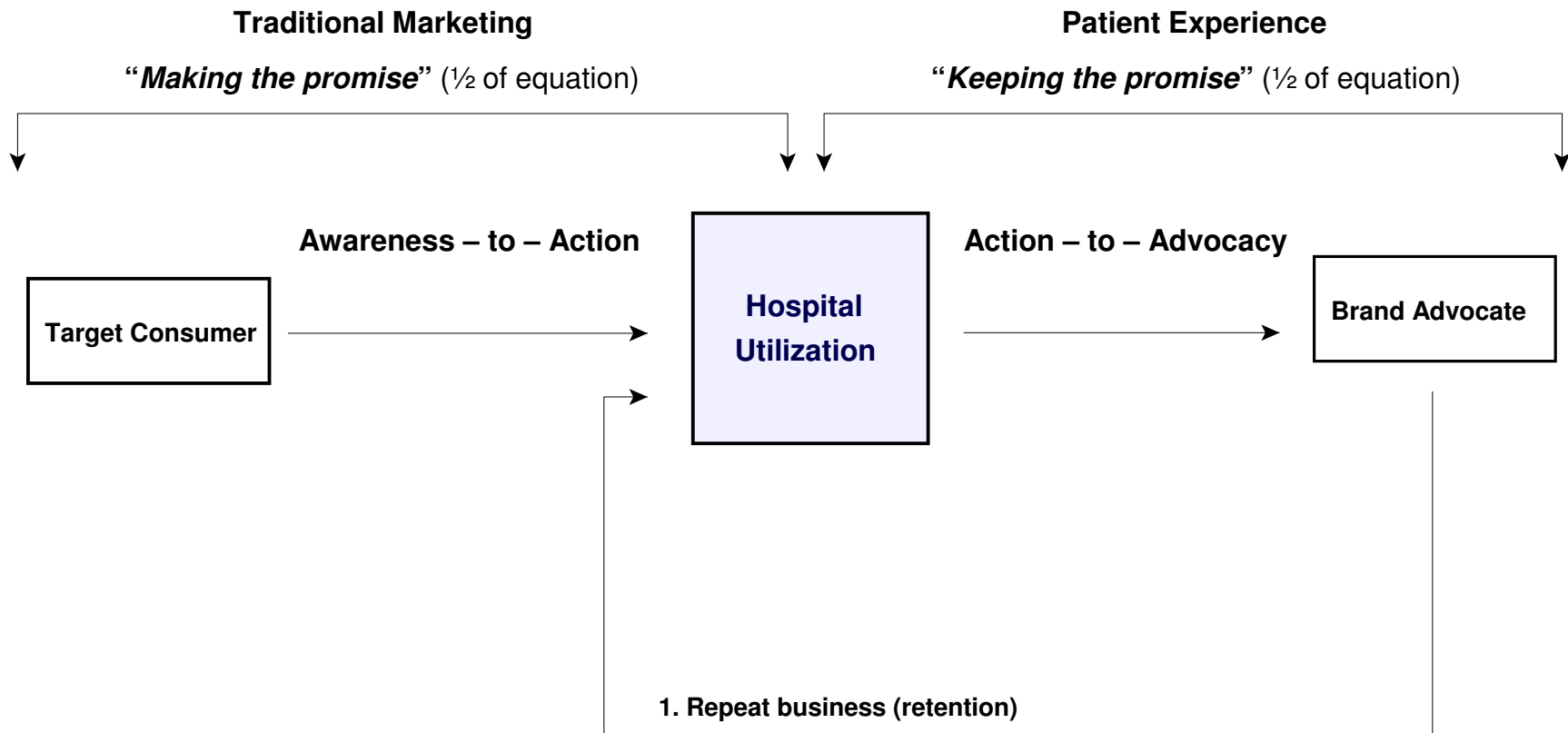
■ Advocate

- 1. Patient would use hospital again for the same type of care (behavioral loyalty).
- 2. Patient would use hospital again for other types of care (cross-sell service lines).
- 3. Patient feels a sense of loyalty to hospital (emotional connection).
- 4. Likely to recommend hospital to friends or family.
- 5. Has said positive things about the hospital to others (family, friends and acquaintances).
- 6. Has NOT said negative things about the hospital to others (family, friends and acquaintances).

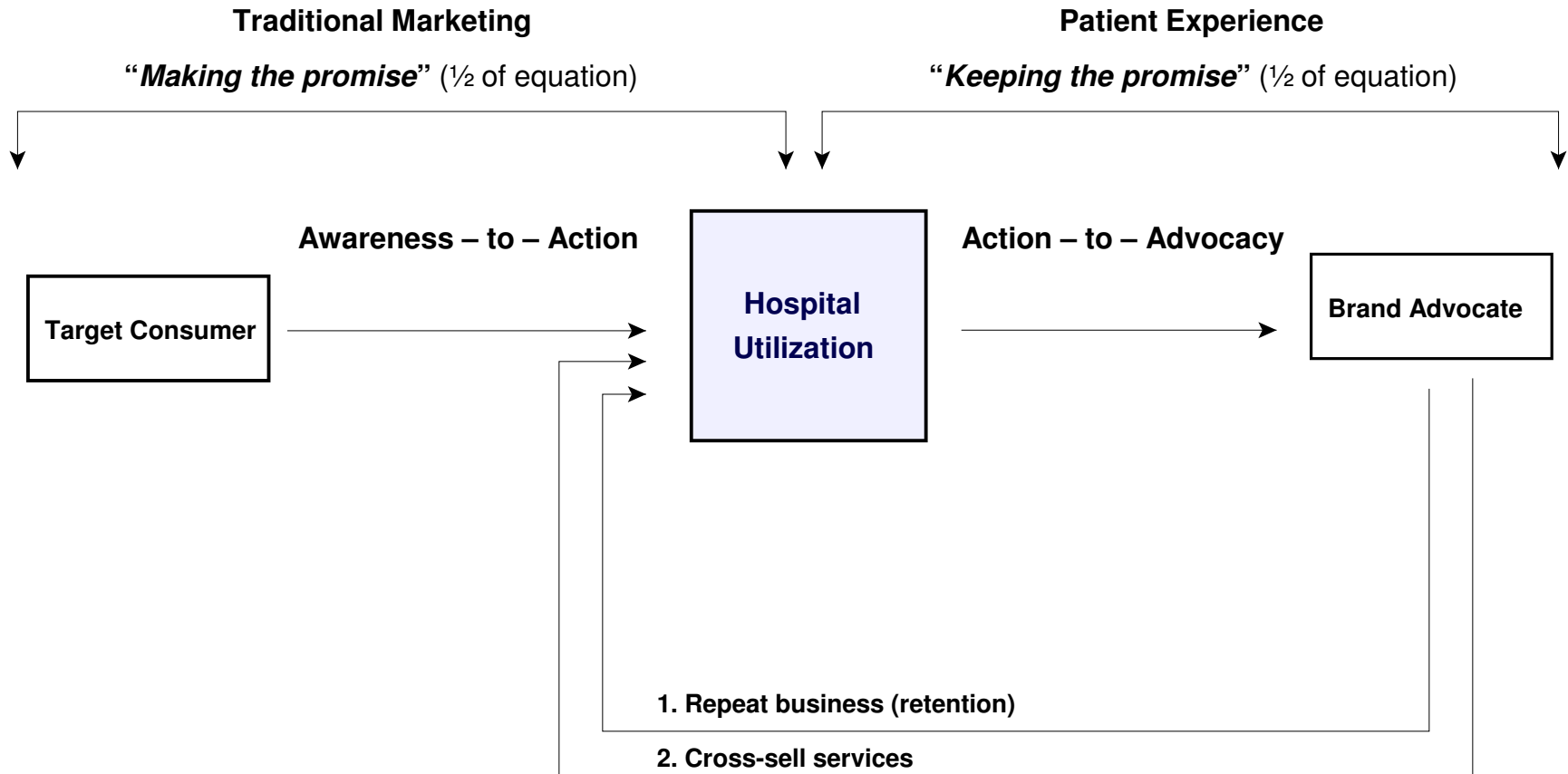


2. How do I attract more patients?

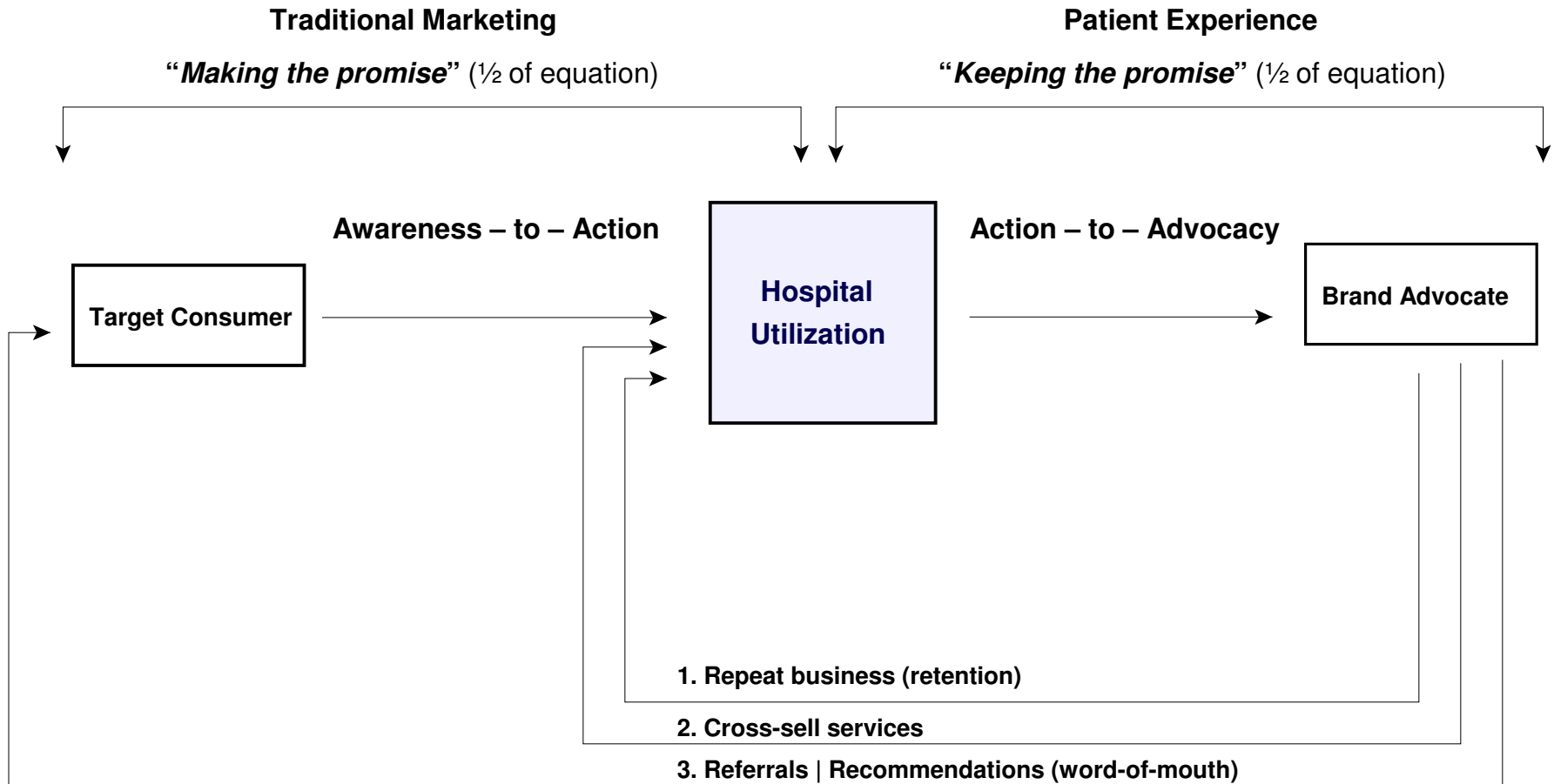
3. How do I keep the patients I have?



1. Advocates are behaviorally loyal.



1. Advocates are behaviorally loyal.
2. Advocates use multiple services.



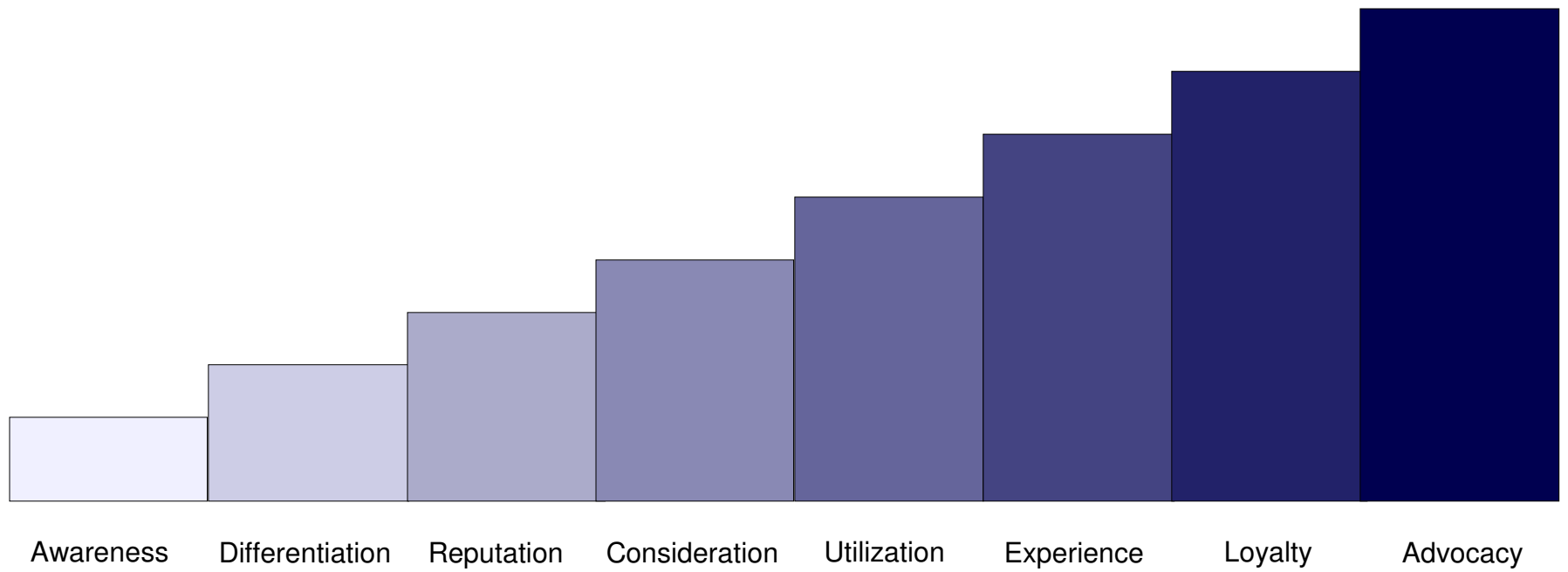
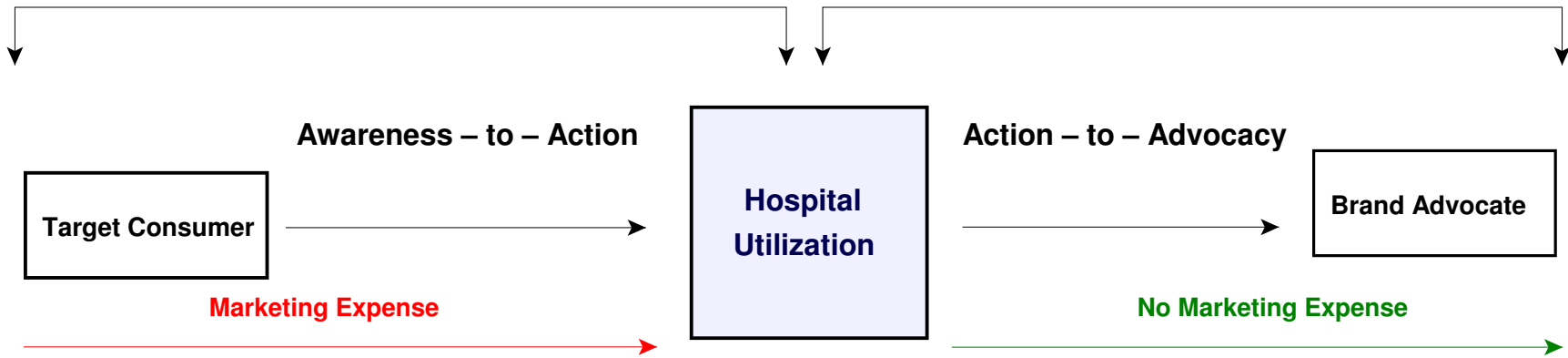
1. Advocates are behaviorally loyal.
2. Advocates use multiple services.
3. Advocates refer new patients to the hospital.

Traditional Marketing

“Making the promise” (1/2 of equation)

Patient Experience

“Keeping the promise” (1/2 of equation)





What are the important indicators of an Advocate?

■ Advocate

- 1. Patient would use hospital again for the same type of care (behavioral loyalty).
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-
- Repeat use contributes to profitable growth.
 - Reducing defections by 5% can increase profits by nearly 50% (Reichheld and Sasser, Harvard Business Review: 1990).
 - Loyalty increases sustained profitability by 25-50% (Reichheld, Harvard Business School Press, 2001).
 - Emotional loyalty reduces the risk of defection (Reinartz and Kumar, Harvard Business Review: 2002).



What are the important indicators of an Advocate?

■ Advocate

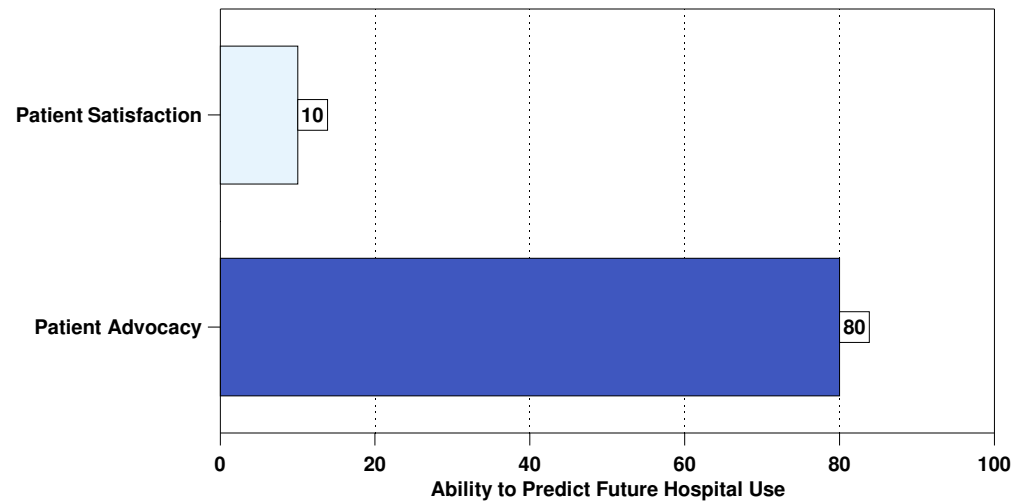
-
-
-
- 4. Likely to recommend hospital to friends or family.
- 5. Has said positive things about the hospital to others (family, friends and acquaintances).
- 6. Has NOT said negative things about the hospital to others (family, friends and acquaintances).
 - Number one predictor of profitable growth (Reichheld, Harvard Business Review: 2003).



Re-thinking patient satisfaction

■ Advocate

- Why does our modelling not include traditional measures of patient satisfaction?
 - Satisfied customers defect (Jones and Sasser, Harvard Business Review: 1995).
 - Patient satisfaction does not predict organizational success (i.e., profitability).





Summary of national ER survey:

- Delivering “functional” benefits is twice as important as “emotional” benefits.
- Key drivers of ER advocacy:
 - 1. Communication and interaction with doctors.
 - 2. Medical quality of doctors.
 - 3. Coordination of care among doctors, nurses and ancillary providers.
 - 4. Medical quality of nurses is not particularly important
 - (This is very different than the quality of nursing care for in-patient and out-patient services)
 - 5. Facility scores are important, but do not “independently” drive advocacy.



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Key brand-strengthening take-aways

- **Patient experiences - and the word-of-mouth that they generate - are key drivers of a hospital's brand *because they drive advocacy.***
- **Understanding what drives advocacy provides a clear action plan to guide - *and integrate* -marketing and operational strategy.**
- **A hospital can strengthen its brand strategy by managing and messaging to advocacy, both of which will reinforce the unique way that a hospital creates value for patients.**
- **Managing and messaging to advocacy keeps marketing and operational strategy focused on the areas that most strongly predict financial performance.**
- **The most effective and efficient way to strengthen a hospital's brand is: 1) to align marketing and operational strategy with a hospital's known signature strengths; and 2) to fix a hospital's known (and potential) Achilles' Heel.**



Implications for marketing hospital services:

■ Broaden your perspective:

- **Marketing includes strategic planning.**
- **Marketing includes physician / nursing staff recruitment.**
- **Marketing includes physician relations.**
- **Marketing includes facility maintenance.**
- **Marketing includes human resources.**
- **Marketing includes operational planning.**